

BUDGET MESSAGE 1997/1998

The 1997/98 budget for the City of Elgin is a "hold the Line" budget. The departments have presented budgets that do not exceed last year's expenditures except where necessary. The amount of General Fund tax receipts estimated to be collected in this budget year is \$170,000 as opposed to \$223,000 for last year, a result of ballot measure 47.

The total General Fund property taxes that will be imposed is unknown. The budgeting cycle will be over before information is available on the implementation of ballot measure 47. I have reduced the budgeted taxes to a level that will, hopefully, account for the tax reductions that will ultimately result. In addition to the General fund property taxes, this budget includes a requirement for \$19,850 in property taxes to cover water bond payments. The budget committee has authority to allocate any mix of property taxes and water user fees to pay the water debt service. The water rates could be reduced by increasing taxes to make up the payment for bonds, or vice-versa.

The proposed budget includes payroll increases for only the lowest paid hourly employees; librarians, solid waste attendant and public works laborer.

Water and sewer rates are not proposed to increase. The rates are marginally adequate to cover operations, a contribution to the reserve funds and debt service. Increases will be required in the not too distant future however, to maintain a contribution to the reserve funds and debt service.

The budget proposes using State Revenue Sharing funds to continue the ordinance enforcement officer and provide a substantial transfer to the fire truck reserve fund. The ordinance enforcement officer again has worked much less than the budgeted time, about 50%. I have reduced the amount for the position to reflect the historical expenditure. More time, however, could be profitably devoted to this position.

The proposed General Fund budget has only \$4,000 allocated to transfers as opposed to \$80,000 last year. This transfer is to the vehicle reserve fund. The budget does contain a larger than normal contingency due to uncertainty with ballot measure 47, and an unappropriated ending balance to provide a cushion for the next budget year.

Last year a transfer of \$20,000 was budgeted for the construction of the new City Hall. This transfer was not required, and thus not made. The fund has a balance of \$40,000. This is more than adequate to complete the construction and furnish the building.

We anticipate having a "chip-seal" program as in the past several years. We have been able to acquire crushed rock in the area and will be upgrading road surfaces as time permits. The City was awarded a grant of \$25,000 for to overlay and widen Cedar Street from 8th east to 5th. This project will cost around \$75,000.

The City has been awarded grants of about \$65,000 to design and obtain financing for the Hunaha over-night RV park. A special fund is presented for budgeting these funds.

The 1997/1998 proposed budget is hereby respectfully submitted to the City of Elgin Budget Committee for review, April 29, 1997; Joe Garlitz, Budget Officer.